GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1828
ANSWERED ON:26.07.2002
FOREIGN INVESTORS
C. SREENIVAASAN;M.H. AMBAREESH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have discussed various issues concerning laws relating to protection to foreign investors with the Government of Japan;

(b) if so, the details thereof;

(c) whether adequate protection have been provided to foreign investors under the Indian laws; and

(d) if so, the details thereof ?

Answer

Minister of State in the Ministry of Finance (Shri Anant G. Geete)

(a) to (d): In order to promote and protect on reciprocal basis investments of the investors, Govt. of India has been entering into Bilateral Investment Promotion and Protection Agreements (BIPAs) with various countries and, so far, such agreements have been signed with 46 countries. Important elements of the BIPA are: National Treatment for foreign investment; MFN treatment for foreign investment and investors; free repatriation/transfer of returns on investment; recourse to domestic dispute resolution and international arbitration for investor-State and State-State disputes; nationalisation/expropriation only in public interest on a non-discriminatory basis and against compensation etc. Negotiations for entering into a BIPA with Japan were held in 1994 but due to substantial differences between the two sides on certain provisions of the agreement, it has not been possible to conclude it.